

A black and white photograph showing a person from behind, walking away on a narrow wooden boardwalk. The boardwalk is surrounded by dense, tall grass and low-lying bushes. In the background, there's a clearing with more vegetation and a few utility poles with wires. The overall scene suggests a rural or natural setting.

ALBERTA WATER COUNCIL
2012 ANNUAL REPORT

ABOUT THE ALBERTA WATER COUNCIL

The Alberta Water Council is a multi-stakeholder partnership that provides leadership, expertise and sector knowledge to engage and empower industry, non-government organizations, and governments to achieve the outcomes of the *Water for Life* strategy.

Created in 2004 under Ministerial Order by Alberta's then-Minister of Environment, the Council serves as a unique example of the concept of shared governance. It is one of three types of partnerships named under the *Water for Life* strategy; the others are Watershed Planning and Advisory Councils, and Watershed Stewardship Groups.

The Council regularly reviews implementation of the *Water for Life* strategy and champions the achievement of the strategy's goals. The structure of the renewed *Water for Life* strategy is based on a strong relationship between three goals:

- Safe, secure drinking water;
- Healthy aquatic ecosystems; and
- Reliable, quality water supplies for a sustainable economy.

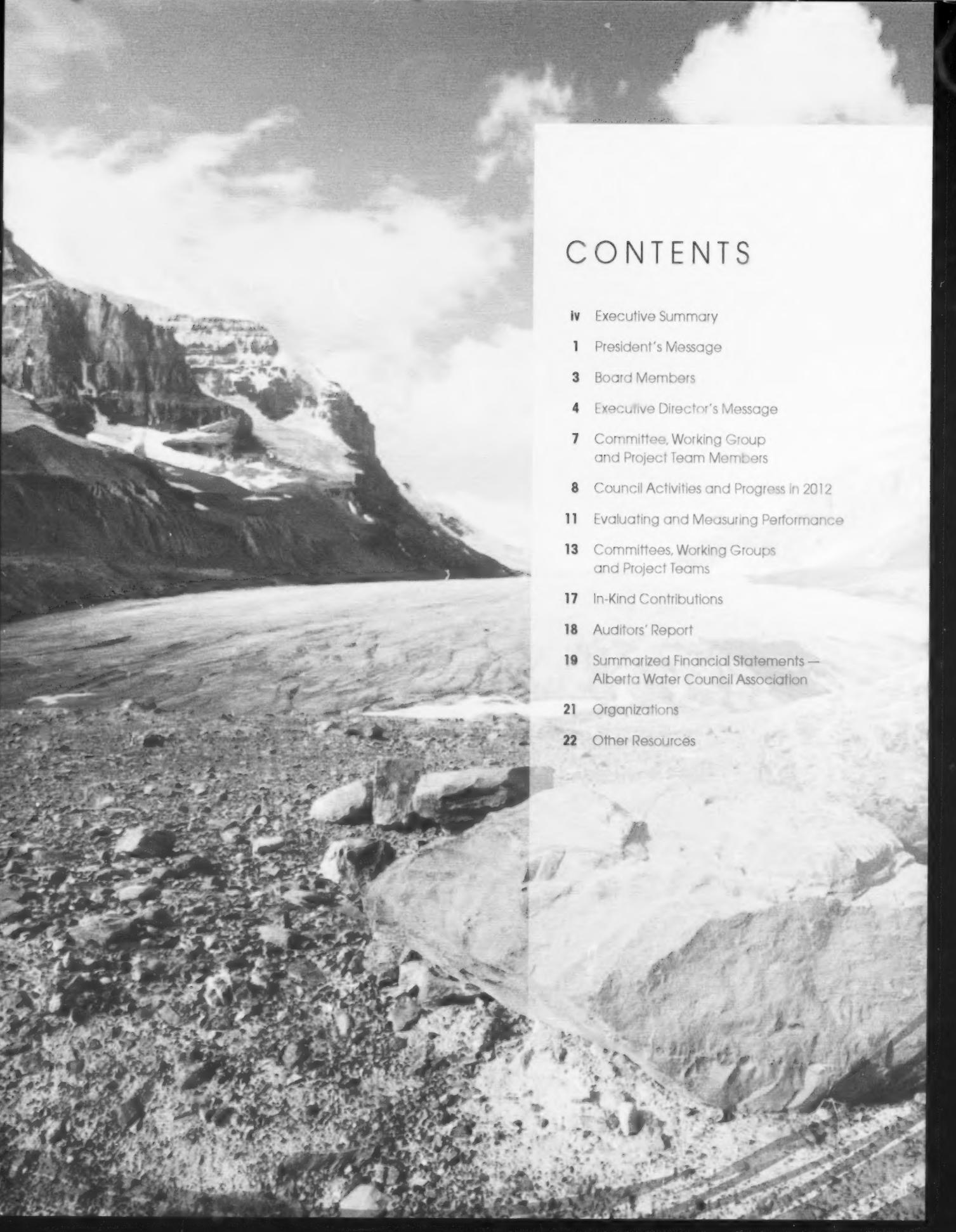
These goals will be met through knowledge and research, partnerships, and water conservation.

The Council also advises the Alberta Government, stakeholders and the public on effective water management practices and solutions to water issues, as well as on priorities for water research. Where there is consensus, the Council may advise on government policy and legislation. However, the Government of Alberta remains accountable for the implementation of the *Water for Life* strategy, and continues to administer water and watershed management activities throughout the province.

The Council operates by consensus and is guided by an executive committee. It submits reports and recommendations directly to the Minister of Environment and Sustainable Resource Development and to other stakeholders. In November 2007, the Council was formally incorporated as a not-for-profit society under Alberta's Societies Act, with its own bylaws and governance structure. The Council receives an annual grant from the Government of Alberta to cover core operating costs and is responsible for its own financial management.

About this Report

This is the Council's eighth annual report. It summarizes activities for the calendar year 2012.



CONTENTS

- iv** Executive Summary
- 1** President's Message
- 3** Board Members
- 4** Executive Director's Message
- 7** Committee, Working Group and Project Team Members
- 8** Council Activities and Progress in 2012
- 11** Evaluating and Measuring Performance
- 13** Committees, Working Groups and Project Teams
- 17** In-Kind Contributions
- 18** Auditors' Report
- 19** Summarized Financial Statements — Alberta Water Council Association
- 21** Organizations
- 22** Other Resources

EXECUTIVE SUMMARY

This annual report describes the activities of the Alberta Water Council in 2012. A highlight for 2012 was the completion of the Council's fourth review of implementation progress of Alberta's *Water for Life* strategy. The recommendations from this review indicate that the actions identified previously are still appropriate and the Government of Alberta should continue its implementation efforts. The review also proposed that quantitative performance criteria and clear metrics for assessing progress be developed prior to the next Council review in 2015. The upcoming tenth anniversary of *Water for Life* is an opportunity for the Government of Alberta and all sectors to affirm their commitment to the strategy's direction.

Another major accomplishment this year was the completion of water conservation, efficiency and productivity plans by Alberta's major water-using sectors. The final three sectors presented their plans to the Board in 2012: Chemical Producers, Downstream Petroleum Products, and Power Generation. The Council recognizes the enormous amount of work that was required to produce these plans and commends all seven sectors for their effort. The Sector Planning for Water Conservation, Efficiency and Productivity project team will present its final report early in 2013.

The Non-Point Source Pollution project team continued its work to find better ways to manage total non-point source contaminant loadings in Alberta's watersheds. Two substantial consultant reports provided the foundation for the team's analysis to assess gaps and opportunities. The team engaged sectors twice in 2012, first to test the direction of potential recommendations, and then to get feedback on its draft report. The final report is expected early in 2013.

The Riparian Land Conservation and Management project team advanced its work this year and refined its ecological definition of "riparian lands." A comprehensive consultant report provided a great deal of information and, together with sector input, will help shape the team's advice. The final report in 2013 will include the definition and will address functions and values of riparian lands along with identified needs and gaps related to current understanding of riparian extent, health and management.

A new project was launched in 2012 to host a symposium on exploring water re-use for various applications. The symposium is expected to be of interest to many Council stakeholders and will be held in 2014.

Staff and board members remain active in their outreach within the province and elsewhere, sharing information about the Council and its consensus-based process. For more information on the Alberta Water Council, its publications and activities, please visit the Council's website at www.awchome.ca.



PRESIDENT'S MESSAGE

2012 was a very full year for the Alberta Water Council. Board members and their stakeholders were actively engaged in four separate areas to test ideas and potential recommendations emerging from project teams and committees. One of these activities was the Council's fourth review of implementation progress of the Water for Life strategy, which will celebrate its tenth anniversary in 2013. After a decade, the strategy continues to be relevant and provides effective guidance to users and managers of Alberta's water resources. Nevertheless, much remains to be done, and providing advice on the implementation progress of *Water for Life* is an important part of the Council's mandate.

We were also extremely pleased to see the completion of the last three water conservation, efficiency and productivity sector plans. All seven major water-using sectors — accounting for most of the water allocated in the province — now have voluntary plans in place. This is a significant achievement and reflects the commitment by sector organizations in developing the plans, and by their members in implementing them. Progress Reports from all sectors are expected in the next couple of years.

The Council is also in the final stages of work on two other challenging topics: non-point source pollution, and riparian land conservation and management. Work in both of these areas is laying a solid foundation for further activity by all stakeholders. Our consensus-based process has been an important factor in finding common ground and reaching agreement on how to strengthen efforts in these areas.

The Government of Alberta's decision to amalgamate two key departments in 2012 — Environment and Water, and Sustainable Resource Development — reflects a desire to better integrate renewable resource management. We look forward to establishing new relationships and strengthening existing ones in the coming years as the new department continues to work with and seek advice from the Council.

Finally, I am delighted to take on the role of Council President. This organization has demonstrated considerable depth of knowledge and expertise on water matters, as well as a remarkable, sustained commitment to finding pragmatic and creative solutions. I value these attributes and look forward to working with you to achieve our shared goals.



Dana Woodworth





BOARD MEMBERS

The following were board members as of December 31, 2012, and all gave generously of their time and expertise to advance the Council's work this year.

BROAD CATEGORY	DIRECTOR	ALTERNATE
INDUSTRY		
Chemical and Petrochemical	John Skowronski *	Al Schulz
Cropping	Elaine Bellamy	Sharon McKinnon
Forestry	Keith Murray	Dan Moore
Irrigation	Ron McMullin	Richard Phillips
Livestock	Stuart Thiessen	Doug Sawyer
Mining	Chris Fordham	Stuart Lunn
Oil and Gas	Lars DePauw	Tara Payment
Power Generation	Jim Hackett	
NON-GOVERNMENT ORGANIZATION		
Environmental	Carolyn Campbell	Bob Cameron
Environmental	Jason Unger	Maureen Bell
Fishery Habitat Conservation	Jeff Surtees	Peter Aku
Lake Environment Conservation	Jay White*	Judy Stewart
Watershed Planning and Advisory Councils	Ken Brown	
Wetland Conservation	Perry McCormick	Tracy Scott
GOVERNMENT OF ALBERTA AND PROVINCIAL AUTHORITIES		
Alberta Agriculture and Rural Development	Colin Jeffares	Jamie Wulfe
Alberta Energy	Martin Chamberlin	Audrey Murray
Alberta Environment and Sustainable Resource Development	Dana Woodworth*	Beverly Yee
Alberta Health	Dawn Friesen	Jenny Hong
Alberta Innovates - Energy and Environment Solutions	John Zhou	
OTHER GOVERNMENT		
Large Urban	Rob Pritchard*	Mark Brostrom
Métis Settlements	Mary Onukem	
Rural	Al Kemmere	Bob Barss
Small Urban	Janelle Saskiw	Rachel Bocock
EX-OFFICIO		
	Gordon Edwards*	

* Executive member as of December 31, 2012.

The Council gratefully acknowledges the following individuals who stepped down in 2012:

DIRECTORS:

Nell Boyd, Les Gammie, Ray Gilmour, David Hill, Ernie Hui, John Kolk, Robert L'Hirondelle, Louis Pawlowich, Richard Quail, Jennifer Steber

ALTERNATES:

Rick Istead, Debra Mooney, Evelynne Wrangler

EXECUTIVE DIRECTOR'S MESSAGE

Once again, the Council had a busy year, combining our core business activities with a number of operational enhancements to improve governance and program delivery.

Among these was a system to track implementation of Council recommendations, which will be refined in 2013 in light of our experience. As well, our Process Guidelines were updated to identify and fill procedural gaps and ensure consistency of information and practices for all those participating in Council work. At the request of the Board, staff developed several self-assessment tools to assist Members in improving involvement and lines of accountability, and these are now in use.

Considerable staff time was devoted to planning and then to supporting team members as they undertook stakeholder engagement activities for several projects this year. The results were very positive and it was gratifying to see so many individuals and organizations contributing to our work. The next year also promises to be busy, as the Board approved two exciting statements of opportunity: one on aquatic invasive species and one for a symposium, to be held in early 2014 on water re-use for household, municipal and industrial applications. Conferences represent a new niche for the Council and will be a good way to extend our outreach to an even broader audience. Other project ideas are still being developed and we await their presentation to the Board.

As is the case every year, we receive many invitations to share our process and results with Alberta's water stakeholders. It is always a pleasure to accept these invitations and talk about our activities. I remain deeply impressed by the continuing engagement of our Board and teams and the dedication of our staff. It was also a pleasure working briefly with past president Ernie Hui and I look forward to the coming year under the leadership of Dana Woodworth.



Gordon K. Edwards

OUR TEAM AS OF DECEMBER 31, 2012

Executive director - Gordon Edwards

Senior project manager - Terry Sly

Project managers:

Andre Asselin

Alesha Hill

Meredith Walker

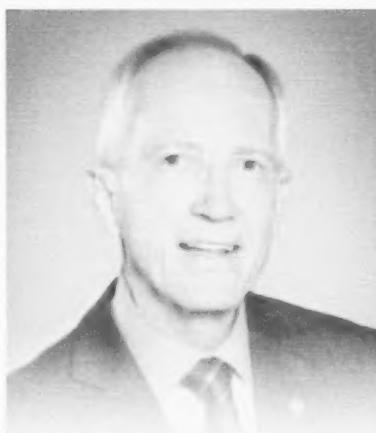
Office manager - Jennifer Beepat

Contractors:

Accounting - Sunny Yeung

Project management - Petra Rowell

Policy and communications - Kim Sanderson







COMMITTEE, WORKING GROUP AND PROJECT TEAM MEMBERS

The following individuals contributed their time and expertise to Council committees, working groups and project teams in 2012, and the Council gratefully acknowledges their commitment and support. This list also includes individuals who led or helped to prepare statements of opportunity for projects the Council considered in determining its future work. The Council also thanks the many other individuals from various stakeholder groups who reviewed documents, responded to surveys, and volunteered their time in support of our activities.

Norine Ambrose	Bill Franz	Scott Millar	Lynn Robb
Ron Axelson	Lisa Maria Fox	Valerie Moore	Nicole Rowney
Giselle Beaudry	Jim Fujikawa	Julienne Morissette	Al Schulz
Maureen Bell	Scott Hillier	Keith Murray	Kelly Scott
Elaine Bellamy	Ernie Hui	Stephanie Neufeld	Tracy Scott
Tasha Blumenthal	Rick Istead	Jennifer Nitschelm	Martin Shields
Rachel Bocock	Andrea Kalschuk	Dwight Oliver	John Skowronski
Rick Bonar	Al Kemmere	Ken Omotani	Judy Stewart
Greg Bowie	Christine Lazaruk	Louis Pawlowich	Jeff Surtees
Mark Brostrom	Arin MacFarlane-Dyer	Tara Payment	Jason Unger
Ken Brown	Tony Machacek	Sarah Pearce	Martin VanOlst
Tom Davis	Bernd Manz	Edith Philips	Jay White
Yin Deong	Sharon McKinnon	Norma Posada	Dana Woodworth
Gord Edwards	Ron McMullin	Rob Pritchard	Jamie Wulfe
John Englert	Donna Mendelsohn	Karen Raven	Fayi Zhou

COUNCIL ACTIVITIES AND PROGRESS IN 2012

This year, the Council continued operations under its 2010-2013 business plan. Each of the plan's three areas of core business has a specific goal and several strategies to achieve the goal. Activities in 2012 supported progress in all three core businesses and goals, as reflected in the chart below. The areas of Council activity for 2012 are described in more detail later in this report, under the work of the appropriate committee, working group or project team. This was the first full year for which performance measures were assessed and reported on, as noted in the next section of this report.



3

CORE BUSINESS

Provide a Forum for Discussion and Resolution of Water Issues

GOAL

Alberta Water Council has an effective process for sectors to discuss and resolve water management issues.

PERFORMANCE MEASURES

- A. Percentage of directors satisfied that the Council's processes and communications are addressing the needs of the board.
- B. Percentage of identified process gaps being appropriately addressed within six months of coming to the Council's attention.

AREAS OF COUNCIL ACTIVITY IN 2012

- Sector Planning for Water Conservation, Efficiency and Productivity
- Communications
- Symposium on Exploring Water Re-use for Household, Municipal and Industrial Applications

In March 2012, the Board approved a system for tracking implementation of Council recommendations. This entailed compiling a Detailed Tracking Report along with a Board Update Report to reflect successes, challenges and general progress for each project. The system for tracking implementation of Council recommendations was piloted in 2012 with semi-annual updates provided to the Board in March and October. This approach will be refined in 2013 based on experience with the pilot.

A year of experience with the system suggested that reporting annually would just as effectively track implementation progress and would be more efficient in terms of time and effort for both staff and implementation coordinators. The shift to annual reporting is expected to occur in 2013.

Also this year, two new initiatives were approved, based on statements of opportunity submitted by the Government of Alberta. The first was a symposium planned for early 2014 to look at water re-use for household, municipal and industrial applications. The second project, to be launched in March 2013, will explore how to safeguard Alberta's water supplies and ecosystems from aquatic invasive species.



EVALUATING AND MEASURING PERFORMANCE

The Alberta Water Council agrees that "what gets measured gets done" and has established a system for measuring and evaluating performance against the Council's goals.

Setting Priorities

Every three years, the Board re-visits its Business Plan, ensuring the appropriate goals and strategies are in place to achieve its mandate. In 2012, Board members participated in a strategic planning exercise to identify and select new work to advance its three goals.

Performance Measures

Performance measures demonstrate to the Council, stakeholders and the public that the three goals are being achieved. The Council has five performance measures, one for the first goal and two each for goals 2 and 3. The Executive Committee, on behalf of the Board evaluates and reports on the Council's performance each year. This is the first year of reporting on performance measures.

1

GOAL 1

The Implementation of the *Water for Life* Strategy is reviewed in a timely and thorough manner.



PERFORMANCE MEASURE 1A: Percentage of Alberta Water Council members contributing to the *Water for Life* Implementation Review report, which is due 18 months after the period under review.

Target: 90% of Council members contribute to the *Water for Life* Implementation Review report.

Results: 100% of Council members contributed to the development of this report. As part of the review process, a number of members or their designates participated on the committee that prepared the report; key Government of Alberta staff were interviewed to provide the committee with information on implementation progress and

challenges, and an online survey was completed by Member or sector representatives to learn about activities of sectors in addition to the Government of Alberta in support of the *Water for Life* strategy.

2

GOAL 2

Alberta Water Council's policy recommendations are timely, based on credible information, implementable, have consensus and support *Water for Life* goals and timelines.



PERFORMANCE MEASURE 2A: Percentage of projects completed in the timeline prescribed in the approved project terms of reference.

Target: 100%

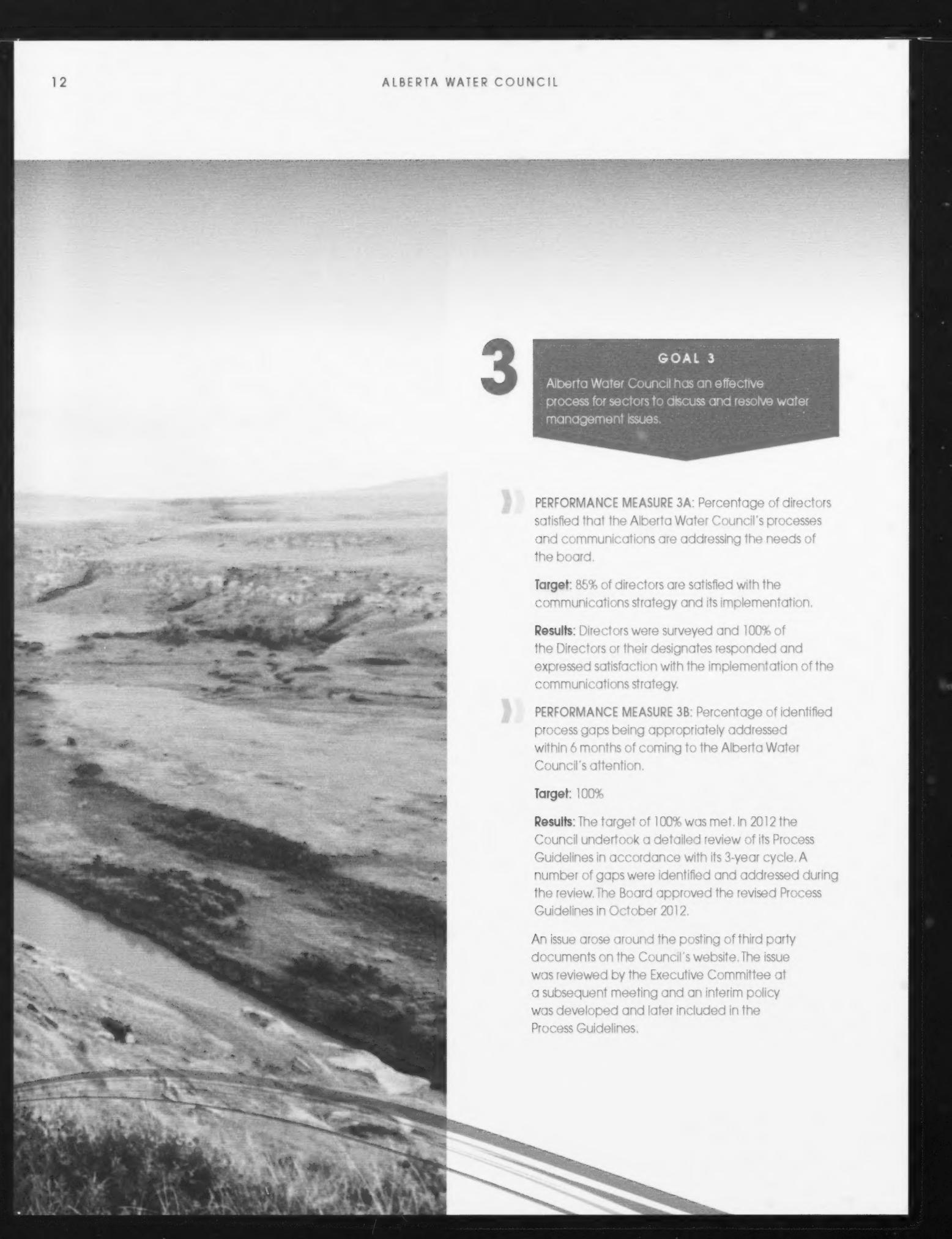
Results: Of the four active Council projects, the *Water for Life* Implementation Review was the only project scheduled for completion in 2012. The Committee requested and was granted an extension to the timelines in its terms of reference; therefore the 100% target was met.



PERFORMANCE MEASURE 2B: Percentage of issues identified by Alberta Water Council project teams addressed with consensus recommendations.

Target: 85%

Results: The *Water for Life* Implementation Review Committee was the only team to complete its work in 2012. The report included 10 recommendations and no outstanding issues needed to be addressed, therefore we interpret that 100 % of identified issues were addressed with consensus recommendations.

A black and white photograph showing a dry, arid landscape with rolling hills and deep, dark cracks in the ground, suggesting severe drought or desertification.**GOAL 3**

Alberta Water Council has an effective process for sectors to discuss and resolve water management issues.

» **PERFORMANCE MEASURE 3A:** Percentage of directors satisfied that the Alberta Water Council's processes and communications are addressing the needs of the board.

Target: 85% of directors are satisfied with the communications strategy and its implementation.

Results: Directors were surveyed and 100% of the Directors or their designates responded and expressed satisfaction with the implementation of the communications strategy.

» **PERFORMANCE MEASURE 3B:** Percentage of identified process gaps being appropriately addressed within 6 months of coming to the Alberta Water Council's attention.

Target: 100%

Results: The target of 100% was met. In 2012 the Council undertook a detailed review of its Process Guidelines in accordance with its 3-year cycle. A number of gaps were identified and addressed during the review. The Board approved the revised Process Guidelines in October 2012.

An issue arose around the posting of third party documents on the Council's website. The issue was reviewed by the Executive Committee at a subsequent meeting and an interim policy was developed and later included in the Process Guidelines.

COMMITTEES, WORKING GROUPS AND PROJECT TEAMS

Committees, working groups and project teams are where much of Council's substantive work is done. Like the Council, these multi-stakeholder bodies make decisions by consensus.

Committees are typically formed to deal with administrative matters and often carry on their work from year to year.

Working groups are formed when the Council decides that more detailed work is needed in an area. The main purpose of a working group is to scope the issue and recommend how it could be addressed. This usually involves preparing terms of reference for a project team.

Project teams are established to investigate particular water issues thoroughly and come back to Council with a report and recommendations. Terms of reference for each team are available on the Council's website.

This section briefly describes the accomplishments of each committee, working group and project team, and explains how their work fits within the Council's Business Plan by noting the specific strategy the work supports.

Reports from Council teams are available online at www.awchome.ca.

Committees

EXECUTIVE COMMITTEE

The Council is guided by a five-person Executive Committee, which includes a member from each of the four broad categories plus the executive director. The Executive Committee provides financial and statutory oversight on behalf of the Board, sets the agenda for each board meeting, and responds to issues that arise between meetings, giving guidance to staff or handling the matter directly, as appropriate. Executive members liaise with Ministers and monitor the Board's effectiveness and adherence to Council policies and procedures. Along with Council Directors, they also communicate with the media when required. As well, the Executive Committee leads communications, strategic and business planning activities. Implementation of the Communications Strategy and Action Plan continued through 2012, using various tools to strengthen the Council's communications activities.

Several areas of specific work were identified in 2011 and completed in 2012:

- The Membership Review Sub-committee made eight recommendations that were subsequently approved by the Board in March 2012. The sub-committee concluded that membership is generally adequate to meet Council's needs, but lines of accountability could be improved; staff were asked to develop several self-assessment tools to assist Members in making these improvements.
- In response to recommendations from the Sustainable Funding Sub-committee, the Executive oversaw development of a business case for Council holding conferences; the concept was adopted by the Board in October and will be pursued in 2013.

Additional areas of focus for the Executive Committee this year included:

- Overseeing the three-year review of Council's Process Guidelines. This review ensures a) that any procedural gaps are identified and addressed in a timely manner, b) consistency of information and practices at the team and Board level, and c) alignment with any changes to the Council's mission and goals.
- Organizing a strategic planning workshop to, among other things, explore opportunities to broaden the suite of Council products and services and identify potential new work for the next year.

WATER FOR LIFE IMPLEMENTATION REVIEW COMMITTEE

One of the Council's most important tasks is to regularly review implementation progress of the *Water for Life* strategy. The reviews are conducted at a strategic level, focusing on emerging water issues and concerns in the province and the effectiveness of the *Water for Life* strategy in addressing them. They are done in a spirit of adaptive management in which the regular evaluation of progress highlights strengths, identifies weaknesses and recommends areas where additional focus would enable the strategy to advance more effectively. Each review assesses the status, effectiveness and

progress of implementation activities and provides advice for improvement based on the assessment. Previous reviews were conducted in 2005, 2007 and 2009.

Completed and publicly released in 2012, the fourth review provides a snapshot of the strategy's status, effectiveness and progress as of December 31, 2011. In its review, the committee considered documents relevant to the strategy, interviewed appropriate Government of Alberta staff and surveyed Council stakeholders and Alberta's watershed stewardship groups, using the results to develop ten recommendations.

Nine of the recommendations emphasize various aspects of each goal and key direction in the strategy. In general, they indicate that the actions in the 2009 Action Plan are still appropriate and needed to achieve the strategy's outcomes, and that the Government of Alberta should continue its implementation efforts. The tenth recommendation specifically addresses an area not previously identified: it proposes that the Government of Alberta develop quantitative performance criteria and clear metrics for assessing progress toward *Water for Life* goals and key directions prior to the next Council review in 2015.

The review acknowledges the substantial implementation progress made to date but notes that much work remains to be done to maintain momentum. The upcoming tenth anniversary and expected renewal of the *Water for Life* strategy in 2013 provide an opportunity for the Government of Alberta and all sectors to affirm their commitment to the strategy's direction.



2013 SYMPOSIUM STEERING COMMITTEE

In October, the Board approved a statement of opportunity presented by the Government of Alberta to host a symposium on water re-use for various applications. A steering committee was established in December to further discuss and refine the topic and timelines. The symposium is expected to be of interest to many Council stakeholders and will be held in 2014.

Working Groups and Project Teams SECTOR PLANNING FOR WATER CONSERVATION, EFFICIENCY AND PRODUCTIVITY

The *Water for Life Action Plan* (2009) calls for water conservation, efficiency and productivity (CEP) plans to be prepared by all major water-using sectors. This team has promoted and assisted the development of CEP sector plans by seven major water-using sectors that account for most of the allocated water in Alberta. The Council recognizes the enormous amount of work that was required to produce these plans and commends all seven sectors for their efforts. The final three sector plans were completed and presented to the Board in 2012: Chemical Producers, Downstream Petroleum Products and Power Generation.

The plan from the Chemical Producers identified ten opportunities for CEP improvements; these opportunities focus on process control and quality maintenance, and some opportunities are already being implemented. As part of continuous improvement, small incremental measures will be implemented to reduce unnecessary wastage from process leaks and to enhance water use efficiency. The most significant improvements in water use in the chemistry industry will occur with major capital investments related to stock turnover or expansion. This allows older, less efficient equipment to be taken out of service and replaced with current technology resulting in greater efficiency and productivity.

The plan for the Downstream Petroleum Products sector identified 15 opportunities for a potential of 22 CEP outcomes:

- Nine conservation opportunities that may decrease overall water use (e.g., alternative water sources);
- Eight efficiency opportunities that may decrease overall consumptive water use by reducing water losses to the atmosphere and/or increase the volume of water discharged back to the source; and
- Five productivity opportunities that may increase production while maintaining the same amount of water used.

The Power Generation plan notes that water CEP improvements in this sector have already taken place. Process improvements, technology improvements and the replacement of aging facilities have influenced and are expected to continue to influence water use. A key challenge will be the interrelationships between regulatory objectives (e.g., air emission controls could lead to increased water consumption). Water productivity improvement over the base period (2000-2002) is projected to be 31% by 2015 and 50% by 2029. Water consumption is expected to stay about the same until 2030, despite projected doubling of electricity demand. Total water consumption is expected to grow 2% by 2015 and 8% by 2029.

By the end of 2012, the team had put a great deal of effort into preparing its final report, but requested and received an extension to its timelines. A final report and recommendations are expected in early 2013. With the completion of the sector CEP plans, the next phase of work will entail monitoring and evaluating progress. All sectors have committed to implementing their plans and reporting progress to the Alberta Water Council. Each sector plan has its own performance measures on which it will report; these will be used to evaluate progress and performance and to determine the overall contributions of sectors to meeting the *Water for Life* goals and key directions.

NON-POINT SOURCE POLLUTION

The Non-Point Source Pollution project team was established to make recommendations on how to better manage total non-point source contaminant loadings to achieve *Water for Life* goals. This involved developing a working definition of non-point source (NPS) pollution; understanding the "state of" NPS pollution knowledge, particularly in Alberta; and examining the tools that characterize and aid in the management of NPS pollution. Phase I to assess the state of knowledge of NPS pollution of surface water in Alberta was completed in 2011.

Phase II, which focused on management approaches, was finished in early 2012. The consultant's report for Phase II reviewed legislated requirements and voluntary best (or beneficial) management practices for addressing NPS pollution in Alberta, three other Canadian provinces, six U.S. states and three European countries for five major land uses: agriculture, urban, forestry, oil and gas, and recreation. Drawing on the experience of other jurisdictions, the report outlined 12 key components of an effective NPS pollution program and identified ways in which Alberta might approach a program of its own.

The phase I and II consultant reports provided the foundation for the team's analysis during the development of the final report. This analysis assessed gaps and opportunities and led to draft recommendations to advance efforts to better manage NPS contaminant loadings in Alberta watersheds.

The complex nature of NPS pollution and its management resulted in many challenging discussions both within the team and during its conversations with stakeholders. The team engaged sectors twice in 2012, first to test the direction of potential recommendations, and then to get feedback on the draft report. The consultant reports were circulated to stakeholders as information. By the fall, the team realized it would need a little more time to complete its final report and recommendations, and the terms of reference were amended to enable the team to conclude its work in early 2013.

RIPARIAN LAND CONSERVATION AND MANAGEMENT

The objective of the Riparian Land Conservation and Management project team is to enhance knowledge and recommend ways to effectively conserve and manage riparian lands in support of *Water for Life* goals. An important component of the team's work is to develop a common ecological definition that could be used across all sectors to clearly identify and gain agreement on what comprises "riparian lands." The team undertook considerable consultation on the definition in 2012 and is hopeful that it will be approved in early 2013.

Other key tasks for the team included documenting the state of riparian lands, management and stewardship in Alberta along with best practices in other jurisdictions; evaluating the state of riparian lands, management and stewardship against the needs of all relevant sectors; and recommending ways to improve riparian land conservation and management in Alberta.

A consultant was engaged to prepare a background report for the team. Entitled *Riparian Lands in Alberta: Current state, conservation tools, and management approaches*, this comprehensive document was based on extensive research and a survey of experts, and provided a great deal of valuable information that identified what is working well, what needs improvement and barriers to improved management and conservation. It also suggested a number of strategies and approaches that could be considered to improve management and conservation of riparian lands.

The team's final report and recommendations are expected in 2013; in addition to the definition, the report will address functions and values of riparian areas along with identified needs and gaps related to current understanding of riparian extent, health and management.

IN-KIND CONTRIBUTIONS

In-kind support is a cornerstone of the Council's ability to address complex water management issues and is extremely valuable in helping the Council to complete its work.

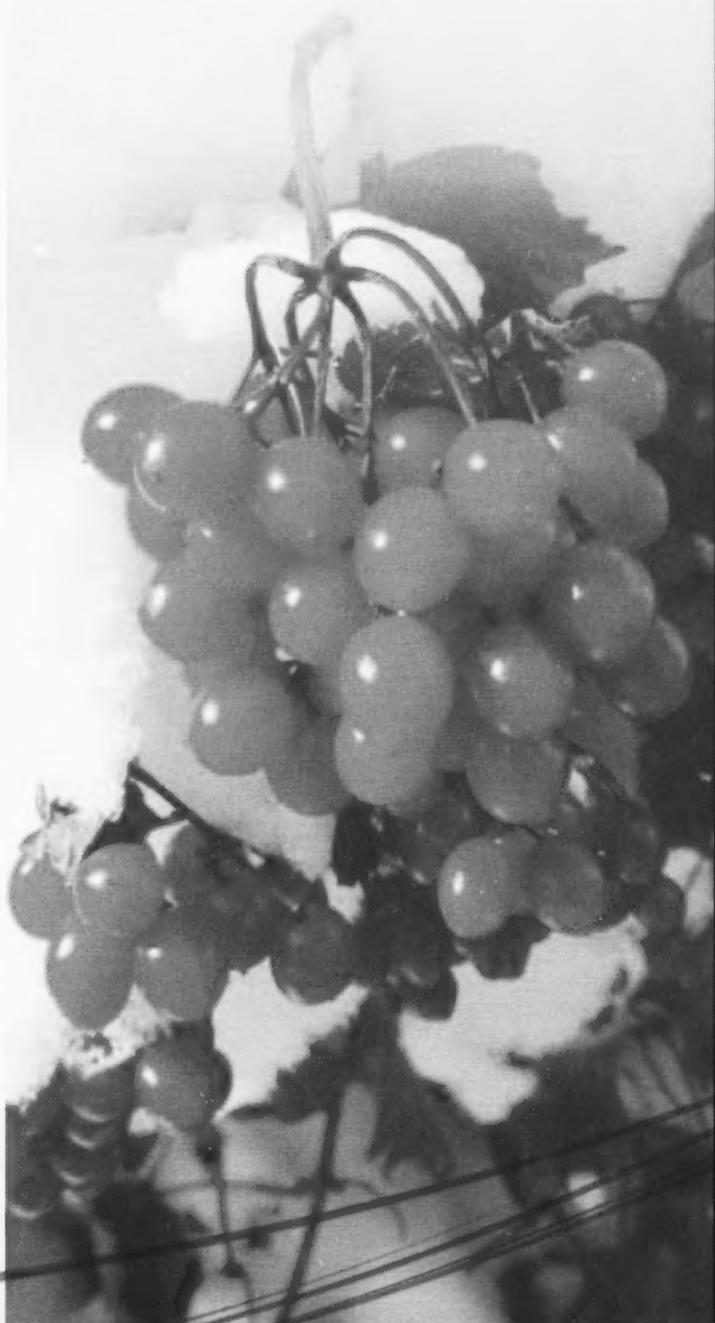
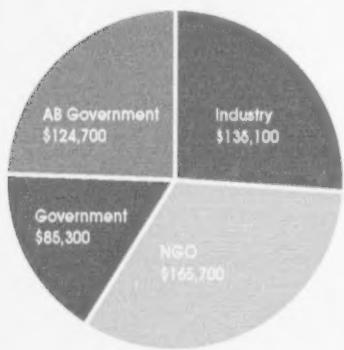
Industry, government and non-government organizations have all provided such support, largely through the participation of their staff. A number of organizations have also hosted meetings and other events. The Council has tried to assign a dollar value to this support by examining time and travel costs and other contributions, but can confidently say that the true value of these contributions is both under-recorded and underestimated.

The total in-kind contributions of time for 2012 amounted to more than 4,700 hours, which represents nearly \$445,000 in donated time. The chart shows these in-kind contributions from the four broad stakeholder categories.

Ducks Unlimited Canada is acknowledged for hosting the wetland field trip and barbecue in June, and the Canadian Fuels Association contributed to the Council's recognition event in October. In addition to these contributions and those noted in the chart, the Government of Alberta provided office space to the Council in 2012.

The Alberta Water Council gratefully acknowledges all the generous contributions it has received from its stakeholders.

AWC IN-KIND
CASH EQUIVALENT



AUDITORS' REPORT

Hawkings Epp Dumont LLP

10476 Mayfield Road
Edmonton, Alberta
T5P 4P4
www.hawkings.com

Chartered Accountants

Telephone: 780-489-9606
Toll Free: 1-877-489-9606
Fax: 780-484-9689
Email: hed@hedllp.com

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Directors Alberta Water Council Association

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2012, the summary statement of operations, and the summary statement of changes in net assets for the year then ended, are derived from the audited financial statements of the Alberta Water Council Association for the year ended December 31, 2012. We expressed an unmodified audit opinion on those financial statements in our report dated February 21, 2013. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Alberta Water Council Association.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard 810 — *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Alberta Water Council Association for the year ended December 31, 2012 are a fair summary of those financial statements, in accordance with Canadian accounting standards for not-for-profit organizations.

HAWKINGS EPP DUMONT LLP
Chartered Accountants

Edmonton, Alberta
March 26, 2013

Stony Plain Office

Suite 101, 5300 – 50 Street
PO Box 3188 Stn. Main
Stony Plain, Alberta T7Z 1T8
Telephone: 780-963-2727
Fax: 780-963-1294
Email: email@hawkings.com

Lloydminster Office

S102 – 48 Street
PO Box 10099
Lloydminster, Alberta T9V 2A2
Telephone: 780-875-7433
Fax: 780-875-5304
Email: hed@hedllp.com

SUMMARIZED FINANCIAL STATEMENTS — ALBERTA WATER COUNCIL ASSOCIATION

Statement of Financial Position

AS AT DECEMBER 31, 2012

	December 31 2012	December 31 2011	January 1 2011
ASSETS			
CURRENT			
Cash and cash equivalents	\$ 1,258,023	\$ 2,094,766	\$ 1,829,891
Accounts receivable	14,549	7,110	15,239
Prepaid expenses	7,768	7,771	7,768
	<u>1,280,340</u>	<u>2,109,647</u>	<u>1,852,898</u>
TANGIBLE CAPITAL ASSETS	<u>10,316</u>	<u>28,908</u>	<u>41,233</u>
	<u><u>\$ 1,290,656</u></u>	<u><u>\$ 2,138,555</u></u>	<u><u>\$ 1,894,131</u></u>
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable and accrued liabilities	\$ 28,345	\$ 29,564	\$ 30,234
Deferred contributions	1,259,435	2,088,580	1,823,569
	<u>1,287,780</u>	<u>2,118,144</u>	<u>1,853,803</u>
DEFERRED CONTRIBUTIONS — TANGIBLE CAPITAL ASSETS	<u>2,376</u>	<u>19,911</u>	<u>39,828</u>
	<u><u>1,290,156</u></u>	<u><u>2,138,055</u></u>	<u><u>1,893,631</u></u>
NET ASSETS			
Unrestricted net assets (deficit)	(7,440)	(8,497)	(904)
Invested in tangible capital assets	7,940	8,997	1,404
	<u>500</u>	<u>500</u>	<u>500</u>
	<u><u>\$ 1,290,656</u></u>	<u><u>\$ 2,138,555</u></u>	<u><u>\$ 1,894,131</u></u>

Statement of Operations

FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2011
REVENUE		
Grants	\$ 860,646	\$ 768,998
Amortization of deferred contributions — tangible capital assets	17,535	19,917
Donations	16,000	27,491
Interest	15,721	14,052
	<u>909,902</u>	<u>830,458</u>
EXPENSES		
Salaries and wages	522,974	533,509
Sub-contracts	145,844	92,521
Director and stakeholder support	116,705	79,188
Administration	48,232	51,625
Amortization	22,911	24,462
Travel	19,078	18,305
Professional fees	12,500	9,815
Rental	10,346	10,301
Insurance	9,777	9,774
Advertising	1,110	-
Meals	426	958
	<u>909,902</u>	<u>830,458</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ —</u>	<u>\$ —</u>

Statement of Changes in Net Assets

FOR THE YEAR ENDED DECEMBER 31, 2012

	Unrestricted Net Assets (Deficit)	Invested in Tangible Capital Assets	2012	2011
NET ASSETS — BEGINNING OF YEAR	\$ (8,497)	\$ 8,997	\$ 500	\$ 500
Excess of revenue over expenses	—	—	—	—
Tangible capital asset purchases	(4,319)	4,319	—	—
Amortization of tangible capital assets	22,911	(22,911)	—	—
Amortization of deferred contributions — tangible capital assets	(17,535)	17,535	—	—
NET ASSETS — END OF YEAR	<u>\$ (7,440)</u>	<u>\$ 7,940</u>	<u>\$ 500</u>	<u>\$ 500</u>

ORGANIZATIONS

The following organizations supported the Alberta Water Council through their generous in-kind contributions in 2012. These commitments have been instrumental in helping the Council undertake its work and are deeply appreciated. The Council also values the contributions from the many organizations that have been engaged behind the scenes and are too numerous to track.

- Alberta Agriculture and Rural Development
Alberta Association of Municipal Districts and Counties
Alberta Beef Producers
Alberta Canola Producers Commission
Alberta Chamber of Resources
Alberta Conservation Association
Alberta Energy
Alberta Environment and Sustainable Resource Development
Alberta Environmental Network
Alberta Forest Products Association
Alberta Health
Alberta Innovates – Energy & Environmental Solutions – Water Resources
Alberta Irrigation Projects Association
Alberta Lake Management Society
Alberta Newsprint Company
Alberta Pulse Growers
Alberta Riparian Habitat Management Society – Cows and Fish
Alberta Transportation
Alberta Urban Municipalities Association
Alberta Wilderness Association
Alberta Winter Wheat Producers Commission
Agri-Environment Services Branch, Agriculture and Agri-Food Canada
Aquality Environmental Consulting Ltd.
Aquatera Utilities Inc.
ATCO Power Ltd.
Athabasca Watershed Council
Battle River Watershed Alliance
Beaver River Watershed Alliance
Bow River Basin Council
Bow River Irrigation District
Canadian Association of Petroleum Producers
Canadian Fuels Association
Chemistry Industry Association of Canada
City of Brooks
City of Calgary
City of Edmonton
Clearwater County
ConocoPhillips Canada
Crop Sector Working Group
Ducks Unlimited Canada
Environmental Law Centre
Environment Canada
EPCOR Water Services
Esso Imperial Oil Resources
Fish Habitat Conservation Collective
Highwood Water Management Planning Public Advisory Committee
Hinton Wood Products Woodland A Division of West Fraser Mills Ltd.
Intensive Livestock Working Group
Land Stewardship Centre of Canada
Lesser Slave Watershed Council
Métis Settlements General Council
Mighty Peace Watershed Alliance
Milk River Watershed Council Canada
Mountain View County
Municipal District of Wainwright
Natural Resources Conservation Board
North Saskatchewan Watershed Alliance
Oldman Watershed Council
Penn West Energy Exploration
Red Deer River Watershed Alliance
South East Alberta Watershed Alliance
South Peace Environmental Association
Suncor Energy
Sustainability Resources Ltd.
Taber Irrigation District
Town of Okotoks
TransAlta Corporation
Trout Unlimited Canada - Alberta Chapter
Village of Marwayne
Water Conservation Trust of Canada



OTHER RESOURCES

The Alberta Water Council's reports can be obtained from the Council's website or on request to Council staff. Other agencies and organizations have published materials that have been useful to the Council and may be of interest to readers. Some of these are noted below.

ALBERTA WATER COUNCIL DOCUMENTS

The following documents are available on the Alberta Water Council website at www.awchome.ca

- *Moving from Words to Actions - Recommendations to improve communication, coordination and collaboration between and among Water for Life partnerships* (2011)
- *Consensus Decision-Making Toolkit* (2010), published with the Clean Air Strategic Alliance
- *Provincial Ecological Criteria for Healthy Aquatic Ecosystems: Recommendations from the Alberta Water Council* (2009)
- *Recommended Projects to Advance the Goal of Healthy Aquatic Ecosystems* (2009)
- *Recommendations for Improving Alberta's Water Allocation Transfer System* (2009)
- *Healthy Aquatic Ecosystems - A Working Definition* (2008)
- *Water for Life, Recommendations for Renewal* (2008)
- *Intra-Basin Water Movement: Major Principles and Recommendations* (2008)
- *Recommendations for Water Conservation, Efficiency and Productivity Sector Planning* (2008)
- *Strengthening Partnerships: A Shared Governance Framework for Water for Life Collaborative Partnership* (2008)
- *Recommendations for a New Alberta Wetland Policy* (2008)
- *Recommendations for an Alberta Wetland Policy Implementation Plan* (2008)
- *Recommendations for a Watershed Management Planning Framework for Alberta* (2008)
- *Intra-Basin Water Movement Inter-jurisdictional Research Report* (2008)
- *Water Conservation, Efficiency and Productivity: Principles, Definitions, Performance Measures and Environmental Indicators* (2007)
- *Water Policy Issues and Gaps* (2007)
- *Review of Implementation Progress of Water for Life, 2009-2011* (2011)
- *Review of Implementation Progress of Water for Life, 2006-2008* (2009)
- *Review of Implementation Progress of Water for Life, 2005-2006* (2007)
- *Review of Implementation Progress of Water for Life, 2004/2005* (2005)
- *2010-2013 Business Plan* (2010)
- *Water Research Strategy* (2006), published by the Alberta Science and Research Authority

ANNUAL REPORTS

- Alberta Water Council 2011 Annual Report
- Alberta Water Council 2010 Annual Report
- Alberta Water Council 2009 Annual Report
- Alberta Water Council 2008 Annual Report
- Alberta Water Council 2007 Annual Report
- Alberta Water Council 2005 - 2006 Annual Report
- Alberta Water Council 2004 - 2005 Annual Report

WATER CONSERVATION, EFFICIENCY AND PRODUCTIVITY (CEP) SECTOR PLANS

Alberta's seven major water-using sectors have prepared CEP plans. These plans were voluntarily prepared and subsequently adopted by their respective sector organizations. In accordance with the Council's Framework for sector plan development, the completed CEP plans were presented to the Council for information only, not for approval or endorsement. The original plans are available on the Council's website at www.awchome.ca/Projects/WaterCEP/tabid/115/Default.aspx.

OTHER RESOURCES

Water for Life Strategy and Related Documents

A number of documents related to the Water for Life strategy are available online at www.waterforlife.alberta.ca

Watershed Planning and Advisory Councils

- (see <http://albertawpac.ca/> for more details)
- Athabasca Watershed Council, www.awc-wpac.ca
- Battle River Watershed Alliance, www.battleriverwatershed.ca
- Beaver River Watershed Alliance, www.beaverriverwatershed.ca
- Bow River Basin Council, www.brbc.ab.ca
- Lesser Slave Lake Watershed Council, www.lswc.ca
- Mighty Peace Watershed Alliance, www.mightypeacewatershedalliance.org/
- Milk River Watershed Council Canada, www.milkriverwatershedcouncil.ca
- North Saskatchewan Watershed Alliance, www.nswa.ab.ca
- Oldman Watershed Council, www.oldmanbasin.org
- Red Deer River Watershed Alliance, www.rdrwa.ca
- South East Alberta Watershed Alliance, www.seawa.ca

OTHER ALBERTA RESOURCES AND WEBSITES

- Alberta Stewardship Network, <http://landstewardship.org/ASN/>
- Alberta Innovates - Energy and Environment Solutions, www.waterrinstitute.ca

PHOTO CREDITS

- cover **ParaGraphics**
p.iv **Green Planet Communications**
p.2 **Susan Sly**
p.5 **Susan Sly**
p.6 **ParaGraphics**
p.10, 12 **Susan Sly**
p.17 **Susan Sly**
p.21 **Susan Sly**
p.22 **Susan Sly**

Any uncredited photos are Alberta stock photos.



ALBERTA WATER COUNCIL

14th Floor, Petroleum
Plaza South Tower
9915 - 108 Street
Edmonton, AB T5K 2G8

Tel: 780-644-7380
Fax: 780-644-7382
Email: info@awchome.ca
www.awchome.ca

Chorus Art Silk

Manufactured from 50% recycled fibres and is elemental chlorine free.

FSC logo here

The FSC® Mixed sources certification assures that the wood fibre raw materials comply with the Forest Stewardship Council® standards for a responsible management of forests with respect to territories and social principles.